



Pacific CONNECTION

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Weathering the economic storm

Pacific Cooperation Foundation
Brother International
Pacific Wave Conference

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Editorial

As the new chief executive, it is a great pleasure to be writing my first editorial for *Pacific Connection* magazine. I am engrossed in and enthusiastic about the many challenges ahead.

One challenge facing the region currently is the global economic recession. The Hon Bill English, New Zealand's Minister of Finance, has described the downturn as a 'tidal wave' – which poses the question, how is this 'wave' affecting Pacific nations? That there will be some impact is inevitable, and it will vary for each nation depending on its banking system, currency, the level of remittances, and the importance of commodity prices.

There appear to be two views developing. The first is the optimistic view that the Pacific will be insulated from the full force of the wave. It's acknowledged that the Pacific, as part of the global economy, will not be immune to the recession but it will be in good shape in the coming 24 months given on-going development assistance and because of systems being somewhat isolated. With the wave starting in the West and moving east, the effect on the Pacific will be delayed.

The second view is that the impact will be exponentially worse. As commodity prices fall and export market growth declines so does government revenue from tax. Remittances are slowing from the United States and it is likely this trend will be followed from New Zealand and Australia as the recession bites and unemployment becomes an issue. Tourism and foreign investment into the region is dropping. Development assistance is reliant on Pacific neighbours whose own economies are softening. If there is little economic growth, there will be

limits on what governments can afford in terms of policy initiatives to stimulate the economy. If growth is affected, there will be an impact on the labour market. The news is not all bad though. With import costs dropping, food and fuel prices are reducing, and shipping has become more affordable. Tourism markets may also pick up travellers who are substituting larger trips overseas for local or regional trips. The website *sendmoneypacific.org* has just been launched in New Zealand to show consumers the cost of a transaction when remitting so the best deal can be secured.

Overall it's fair to say that the extent and impact of the recession on the Pacific is, as of March 2009 gazing out to the Pacific from New Zealand, an unknown quantity. The PCF is interested in exploring this issue and the challenges and opportunities that the downturn presents. For this reason we are hosting a major conference in Auckland, 3–4 June, the *Brother International, Pacific Wave Conference: Weathering the Economic Storm*.

We are approaching leaders in business, trade and the public sectors from across the region, and from New Zealand, to paint us a picture of how the 'wave' is rolling, and we will be discussing ways to develop practical and policy related initiatives that could be pursued in the next 12–24 months.

I plan to sign off each editorial with a quote: "The greatest challenge to any thinker is stating a problem in a way that will allow a solution." Bertrand Russell (1872–1970).

Markerita (Meg) Poutasi
PCF chief executive

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Cover: New Zealand Prime Minister John Key visiting troops deployed as part of the Regional Assistance Mission to Solomon Islands (RAMSI). Photo: Adham Crichton, New Zealand's International Aid and Development Agency (NZAID).

Helping Pacific nations get through the global crisis

The Pacific Cooperation Foundation (PCF) is organising a major conference in June to look at the impact of the global economic crisis on Pacific economies and how these small nations can ride out the crisis.

PCF board chair Fa'amatuainu Tino Pereira says the global economic crisis is already having a disproportionate impact on tiny, vulnerable Pacific Island states – and the impacts are set to worsen as the crisis deepens.

The Brother International, Pacific Wave Conference: Weathering the Economic Storm is aimed at teasing out the issues and proposing solutions to help the region weather the gathering economic storm, he says.

New Zealand and Pacific industry and business leaders, government ministers, non-government organisation representatives and academics are expected to attend the conference.

"This is a very vulnerable time in the Pacific. Pacific communities depend largely on the outside world for their economic well-being," Fa'amatuainu says.

"Remittances are the biggest source of income in some Pacific economies, but the capacity for these to continue is under significant threat, now that the economies of New Zealand and Australia, the two biggest sources of remittances are also facing economic wobbles.

"We are standing in the midst of a hurricane unknown in the Pacific – is the region going to be able to come together to meet the challenge?"

Day one of the two-day conference, being held in Auckland on 3–4 June will be devoted to understanding the impacts of the recession on the ground.

Fa'amatuainu, conference committee chair, says the PCF is lining up six key-note speakers from

regional organisations and businesses who can provide real insights.

"This will be about information, what is actually happening, from those who are close to the action."

Day two will be structured as facilitated workshops, where participants have the opportunity to come up with ideas for helping the region.

Economic growth challenges for Pacific nations in the immediate future include dealing with exchange rate fluctuations and the impacts of these on exports and overseas demand. Other issues include reduced commodity prices, inflationary impacts, limited capital for private sector development, and pressures on foreign exchange reserves, trade deficits and debt.

Fa'amatuainu says the conference will include a special focus on tourism, given the importance of the industry to the region.

"It is the number one foreign exchange earner for a lot of countries – for some it's the only foreign exchange earner – but in-bound traffic into the region is slowing down as people aren't travelling as much," he says.

Tourism sub-themes may include liberalising airspace to increase competition, strategies to maintain visitor numbers from key source markets, dealing with changing fuel prices and labour costs, and developing new emerging visitor markets.

Employment issues will also be a focus, within the context that onshore employment is still largely focused on the government sector, with



PCF board chair Fa'amatuainu Tino Pereira

much private employment confined to the local consumer market.

Labour mobility will be another issue for discussion, given growing unemployment pressures in host developed country markets.

Other employment issues include immigration quota and access category schemes, promoting and retaining private sector work forces, and the reliance of infrastructure development on donor agency funds.

Fa'amatuainu noted that the PCF's previous conference, on Pacific labour mobility, had helped prepare the way for the Recognised Seasonal Employer (RSE) scheme that brings Pacific workers to New Zealand for seasonal work.

"I won't claim that RSE happened because of that conference, but it had a very significant impact," he says.

"It got the issues crystallised and on the table. I would like to see an influential outcome of that nature from this year's conference."

For more information about the conference and to register, see: www.pcf.org.nz

Tonga PM for guest speaker

Tonga's Prime Minister Hon Dr Feleti Sevele will be this year's guest speaker for the Pacific Cooperation Foundation (PCF) Annual Pacific Address in May. He will speak in Christchurch and Wellington during the week of 13–20 May.

The PCF sponsors a Pacific Address each year, bringing a prominent Pacific person to New Zealand to speak on a regional topic. For venue details and times, please visit www.pcf.org.nz and click on the link 'Annual Pacific Address' on the home page in the 'What's New' box.

Previous speakers have included: Ratu Joni Madrawiwi, former Vice President of Fiji; Hon Sato Kilman, Vanuatu Deputy Prime Minister and Minister of Foreign Affairs; Sir Arnold Amet, former Papua New Guinea Chief Justice; Hon Tuilaepa Aiono Sailele Malielegaoi, Prime Minister of Samoa.



Hon Dr Feleti Sevele, Prime Minister of Tonga

A visionary Pacific Economic Community: Alternatives to legalistic masochism

By Professor Wadan Narsey, Head of the School of Economics, University of the South Pacific

When children 'go wrong', parents are the first to do some soul-searching for personal responsibility.

That may not be a fair analogy for the poor relations between New Zealand/Australia and Pacific Island countries (PICs). But when there are unequal partners, it may not be too unfair to ask the stronger partners to take remedial action.

Australia/New Zealand's relationship with some of the PICs has gone through difficult times. It is an unhappy one with Fiji currently, no doubt largely determined from the Fiji end. But with no prospect in sight that Australia and New Zealand can have any constructive influence through dialogue, perhaps New Zealand and Australia need to do some soul searching: could they have done things differently?

Could they still do things differently that would pre-empt such a deterioration in relationships? Why do they stubbornly refuse to take advantage of 'win-win' situations with the PICs?

These questions are all the more relevant now that the international financial crisis has begun to hit the PICs just as much as it is hitting Australia and New Zealand. Given that major economic readjustments will be required by both Australia and New Zealand, it may be worth asking whether this might not be an opportune time to attempt adjustments required by a better long-term relationship with the PICs.

Look at the impasse on the economic integration front.

Masochistic legalistic agreements

The PICs keep stumbling and sleep-walking through their regional and international trading agreements.

After years of hard work by Forum officials, meeting after meeting between PIC ministers and senior civil servants, and millions of consultancy dollars, the PICs signed their own free trade agreement – the Pacific Island Countries Trade Agreement (PICTA) – that has been virtually a dead duck, with lip-service the rule.

Economic partnership agreements (EPAs) with the European Union have been negotiated ad nauseam, with equal squandering of consultancy funds, and nothing edifying in sight.

The Pacific Agreement on Closer Economic Relations (PACER) has also been signed with Australia and New Zealand in principle, but the actual formalisation and implementation will take years, if ever. Given that PACER poses far

more job losses in the PICs than PICTA, it will face even bigger obstacles, more masochistic legalistic battles, and even more squandering of resources than PICTA.

Surely there are better ways for creating a sustainable Pacific Economic Community?

A South Pacific Community?

Without any legalistic negotiations, it is possible for Australia and New Zealand to foster progress on a number of key economic and social fronts, with the jigsaw pieces falling gradually into place, over time, delivering concrete development benefits to the PICs at every stage, and making PACER an inevitability.

But that would require Australia and New Zealand to take responsibility for addressing some of the fundamental causes of underdevelopment and lack of economic growth in the PICs.

With PIC budgets generally under long-term strain, there would need to be significant donor investment in Island infrastructure – roads, utilities, education, medical services – to improve the standards of living for Islanders, Australians and Kiwis alike, and to foster the preconditions for investment.

Indeed, for there to be long-term sustainable growth in tourism in the PICs, there must be minimum standards in health services and utilities, standards that tourists are accustomed to in their own home countries. There would have to be joint investment projects in World Trade Organization (WTO)-compatible industries in PICs, focusing on tourism, timber, marine resources and service industries (like retirement homes and call-centre industries) to accelerate economic PIC growth.

Of course, there will continue to be the self-interested extraction of PIC skilled human resources by Australia, New Zealand and Canada, inevitably gutting the PICs of the intelligentsias that they desperately need for development.

But cannot Australia and New Zealand also encourage flows of skilled people back to the Islands via dual citizenship? And with there now being no doubt about the critical value of remittances to PIC foreign exchange reserves and development, where is the generous access for unskilled PIC labour to meet unfilled demand areas in Australia and New Zealand?

While well-off back-packers from Europe are able to work for a few months, PIC unskilled workers



Wadan Narsey

continue to face all kinds of barriers. When indeed, will there ever be no unemployment in Australia and New Zealand?

Australia and New Zealand both face dwindling demand from their civilians for military and naval positions. Several PICs have faced instability because their military and naval personnel have not followed the highest ethics of their service codes. So why have Australia and New Zealand not fostered a revolving deployment of PIC military personnel in the dwindling Australian and New Zealand defence forces?

The PIC personnel would be taken off their strained PIC budgets, and as 'training attachments' they could be paid somewhat less than the permanent Australia and New Zealand staff, probably sending their savings home as remittances. Australia and New Zealand could also make permanent a fraction of the attachments every year.

Not only might these PIC attachments be invaluable for peace-keeping deployment internationally, but such returned personnel might also be totally resistant to overturning civilian governments.

Similarly, look at the long-term problems faced by the Australian and New Zealand navies in policing their massive oceanic borders. Their citizens are not too keen these days for a life on the briny. So why have Australia and New Zealand not developed systematic employment of PIC seafarers in the Australian and New Zealand navies – policing marine boundaries, controlling over-fishing, whaling, monitoring under-sea minerals including oil and gas, and defending 'Fortress Pacific'.

Some small Pacific Islands with tiny populations (like Tuvalu and Kiribati) face obliteration with sea levels rising or possibly more frequent tsunamis.

Sustainable development in Oceania

By Professor Vijay Naidu, Director, Development Studies Head, School of Governance and Development Studies, Faculty of Business and Economics, University of the South Pacific.

By how much would the populations of Australia and New Zealand rise if these two countries were given relatively free access?

Australia and New Zealand might well ponder on the advantages, for their own tourism industries, of fostering tourism in the PICs through sports and arts. One excellent opportunity was missed in rugby when Super 12 was converted into Super 14. There was a possibility of really fostering Island rugby and adding an exotic international flavour to Super 12 by including a Pacific Islanders team, playing home games in exciting Fiji, Samoa or Tonga, which would also have provided huge boosts to their tourism industries.

Instead, the narrow-minded South African, New Zealand and Australian Rugby Union (SANZAR) bureaucrats opted for two more of the same boring teams from Australia and South Africa. Is there another chance coming soon, which will also go begging?

And where are the grand annual Pacific-wide arts festivals of music, dance and theatre that can showcase to the whole world what a phenomenally rich, multicultural community we have in the Pacific? Imagine what a Pacific arts festival would be like if it was held annually, in rotating venues around the Pacific, including Australia and New Zealand. But there is no such international marketing by Australian or New Zealand tourism.

What Australia/New Zealand vision of PICs?

If New Zealand and Australia were to take advantage of all the above 'win-win' opportunities, there would be little to argue about when a future PACER came to pass.

There would be no need to convince Pacific Island leaders that they should relinquish discretionary powers over their economies for the greater good of ordinary Pacific Islanders – just as the Cooks, Niue and Tokelau have with New Zealand. Effectively, the oceanic PICs would come to be treated like any remote rural community in Australia or New Zealand, whose skilled human resources continued to flow out to Sydney or Auckland, but they remained civilised rural outposts.

Just as the individual European countries derive greater strength to weather crises by being part of a wider European Community, so also might Australia and New Zealand derive greater strength by being part of a wider Pacific Community including the PICs.

But for that to happen, Australian and New Zealand political leaders need to have a long-term vision of Pacific Islanders as one with Australian and New Zealand citizens in all aspects of human endeavour – economic, political and social – if the next 20 years are to be a major improvement on the past 20.

The notion of sustainable development is widely used but difficult to identify in practice on the ground.

Indeed, it can be said without fear of contradiction that currently this concept is an ideal that is actually not found in any country of the world and that at the level of the planet, the mode of development is almost totally unsustainable.

For Pacific Island countries (PICs), moving towards the ideal of sustainable development is of critical importance because of their generally limited and rather fragile ecosystems.

However, their capacity to attain sustainability is constrained by the actions of larger countries of the North, the United States, European nations, Japan, Australia and New Zealand, and to a much lesser but growing extent China and India. These countries have, and are responsible for, the ever-increasing accumulation of green house gases in the atmosphere that have led to global warming.

Increasing temperatures are melting glaciers and polar ice caps, changing weather and climatic patterns, and contributing to rising sea level and extreme weather events such as super-cyclones and devastating droughts. All these affect PICs in very negative ways, including endangering the future survival of the smallest atoll states such as Kiribati, Marshall Islands and Tuvalu.

The failure of Kyoto means that post-Kyoto agreements need to be more binding and much more restrictive on the emission of green house gases.

Much of the failure of Kyoto can be laid at the door step of the United States, and in our part of the world, Australia. Although New Zealand signed the Protocol, it increased green house gas emissions. It is vital that the southern hemisphere, which has acted as the 'lungs' of planet earth, does not become afflicted by the diseases that have affected the North.

What is sustainable development?

The notion of sustainable development means that human economic activities should take full account of their environmental costs to ensure that the natural environment is not harmed to the point that the well being of future generations is compromised.



Vijay Naidu

It has environmental, economic and social dimensions – often described as the 'three bottom lines'.

As all human life and livelihoods ultimately depend on the natural environment, it is vital that environmental sustainability and biodiversity be ensured. Economic growth will need to be tempered by such considerations.

There is a need to rely on more efficient 'green' technology and less on voracious use of natural resources. There is an urgent need to reduce the massive and often wasteful consumption patterns in the developed world. This extends to severely curtailing the gigantic environmental footprint of industrialised societies based on fossil fuels.

The social aspect derives from equity issues that are inter-generational as well as intra-generational. The latter means that in this generation those living in the North are taking much more than their fair share of earth's resources, and points to a need for more equitable access to these resources for those living in the global South.

Sustainable development in PICs

Although PICs contribute around .03 percent of green house gases, there are numerous human economic activities that are seriously harming the often fragile island ecosystems.

Islanders must become more aware and holistic about the nature of development taking place in their midst, otherwise their survival and that of their future generations will be severely compromised.

Often the dictates of the exploitative and environmentally destructive global capitalist market system are at the root of the sustainable development challenge for PICs. These countries do not generally have national environmental policies, and even when they do, they are obsolete and not enforced. In resource rich Islands, corruption has become widespread and affects their ability to engage in sustainable development.

So what are the examples of unsustainable development activities in PICs? Obviously environmentally destructive activities include commercial felling of trees and the cutting of forests, and many countries have already lost much of their natural forests. In Papua New Guinea, Solomon Islands, Vanuatu and Fiji, destructive logging practices have scarred the countryside, eroded soils, silted rivers and smothered coral reefs. This has had adverse consequences for human livelihood, but also drastically reduced biodiversity and integrity of ecosystems. Floods in these countries are largely attributable to logging in water shed areas.

Another obvious environmentally harmful economic activity is mining. This is most obviously seen in open cast mining. In Nauru, phosphate mining has made two thirds of the island uninhabitable. Bougainville copper mining has left a long shadow on both the environment and the people. The Ok Tedi mine has also destroyed the environment and livelihoods of people along the Ok Tedi and Fly River System. The Papua New Guinea Government has made it safe for mining companies to degrade natural environments by legislating against its citizens' ability to litigate against such companies in their 'home' countries. Besides gross environmental destruction, mining has contributed serious social problems to local communities. These include alcoholism, domestic violence, HIV/AIDS and even local war lordism.

Marine resources are the lifeblood of many PICs, yet there appears to be another kind of mining going on in their exclusive economic zones (EEZs) by Distant Water Fishing Nation (DWFN) fleets. Although fish stocks are a renewable resource, the manner of their exploitation in the Pacific has not been sustainable. Tuna and other commercial fisheries have come under extreme pressure. This pressure is likely to grow as a result of the economic partnership agreement (EPA) with the European Union.

Rising temperature has resulted in coral bleaching and the loss of living coral reefs in many parts of the Pacific. Threats to reefs have also come from terrestrial activities such as logging, mining and industrial pollution. Reef destruction and the cutting down of mangroves as well as reclamation of coastal zone areas have resulted in the loss of ecosystems and biodiversity.

Whereas the ancestors of Island peoples have lived for several millennia in the fragile island habitats, their impacts were relatively limited compared with the economic activities of their descendants. Poor farming methods and destructive commercial agricultural practices have led to leaching and infertile soils, soil erosion, silting of rivers and reefs. Unrestrained use of artificial chemical fertilizers, insecticides and pesticides has harmed local and interdependent ecosystems. Nutrients from farms, and from ever increasing urban settlements, are seriously compromising natural systems.

“As all human life and livelihoods ultimately depend on the natural environment, it is vital that environmental sustainability and biodiversity be ensured. Economic growth will need to be tempered by such considerations.”

Besides chemical run offs, there is the widespread problem of solid waste disposal. Sewerage treatment and garbage waste disposal have become significant challenges in emerging urban areas. In some atoll countries, people are beginning to live 'cheek by jowl' with their waste. Heavily polluted atoll lagoons have resulted in several outbreaks of cholera epidemics in recent years.

While migration from some Island countries to Pacific rim countries has helped reduced the pressure of population on the Island environment, in other countries population growth rates are worrying. There are concerns about whether these countries can carry the ever-increasing number of people and whether they will be able to produce sufficient food and other services to sustain them. Many Islanders have needs and aspirations not very different from their continental cousins but

the resource base of the Islands will not be able to cater for their aspirations. The drive towards feeding 'Western lifestyles' by unsustainable exploitation of the Pacific's natural resources will have to be slowed down if a more sustainable development path is to be followed.

The Earth Summit in Rio in 1992, followed by the Barbados Conference on Environment and Development two years later, the World Summit on Sustainable Development in 2002 and the Mauritius Declaration of 2005, have reiterated the principles of Agenda 21¹ generally and of the particular vulnerability of small island states, but on the ground reality is one of business as usual. With the exception of some regional and national initiatives with respect to marine reserves that have become protected areas, a handful of half hearted attempts at national environmental policy, such as poorly enforced fisheries licensing, there has been little systematic and holistic movement towards sustainable development.

Indeed, as stated for the planet as a whole, in PICs sustainable development practices are very hard to come by and appear to make only limited impacts, but unsustainable activities continue unhindered either by education or by legislation. Coral mining in atoll countries provides a stark example of how Islanders are increasing their own vulnerability as sea levels rise.

Islanders need to give serious consideration to sustainable development. It is one of the four pillars of the Pacific Plan, recognising that economic growth will have to take cognisance of good environmental conservation and management practices, as well as to social and community integrity. Without sustainable development becoming a reality in the PICs, future survival and well being is likely to be grim.

¹ Agenda 21 is a United Nations sustainable development programme – 21 refers to the 21st century.

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“Bringing people together to make a difference”

The *Brother International, Pacific Wave Conference: Weathering the Economic Storm* in June will be an opportunity to raise awareness about the issues faced in the region and, most importantly, to identify opportunities within the challenges ahead, the Pacific Cooperation Foundation’s new chief executive Markerita (Meg) Poutasi says.

“The conference is designed to bring together a wide range of views on how the Pacific will move forward in a challenging economic environment.

“We expect that the conference will not only consider the impact of the downturn on Pacific economies, businesses and communities but it will look at priorities for leaders, for business and NGOs [non-government organisations], and what practical steps could be taken in the short and long term.”

Poutasi, who took up the job in January, brings to the role what she describes as “a fresh pair of eyes, energy and enthusiasm”, and a personal commitment to “making a difference”.

Of Samoan and European descent, she was a solicitor in private practice and, most recently, with the New Zealand Crown Law Office, where she was Associate Crown Counsel specialising in Treaty of Waitangi settlement issues and international law.

Poutasi was president of the Pacific Island Law Students’ Society when approached to join the PCF steering committee in 2002, prior to the foundation being formally set up in 2003. She then moved to become a founding member of the PCF’s board of trustees.

She says bringing people together is one of the most important things the PCF does. “We connect people, groups and organisations with the aspiration of raising New Zealand’s profile as a Pacific nation, as well as increasing our understanding of the Pacific neighbourhood.

“The PCF is an organisation that has the best of both worlds. We are a public/private sector partnership that is also an independent charitable trust. We occupy a unique space that allows us to work on strengthening and building connections in the Pacific across a range of interests – public sector, private sector and NGOs.”

Poutasi says her vision for the organisation is for it to continue to develop partnerships through innovative connections and integrated projects that build on strengths in the Pacific. Priorities will be delivering high-quality projects, such as the *Brother International, Pacific Wave Conference* and on issues that will affect the next generation, including economic growth and social issues.

“We’re looking to build awareness of Pacific issues, and to provide and stimulate informed commentary and debate. We’re also looking to engage more with the public, and through existing relationship networks, to raise awareness of the work that we do.



Markerita (Meg) Poutasi

“I think people see the PCF as a small but efficient organisation that can make things happen over time to raise the profile of Pacific issues in New Zealand. Our strength is in bringing people together – and building those relationships and partnerships – to develop real options and solutions.”

Poutasi is the daughter of Samuelu Poutasi, who was chaplain at Wellington Hospital, and Karen Poutasi, New Zealand Qualifications Authority Chief Executive and a former Director-General of Health. She is married to Stuart Duggan, an IT specialist, with whom she has one-year-old son Sean. She replaces Vince McBride, who had held the position for five years and has returned to work with the New Zealand Ministry of Foreign Affairs and Trade.

New Zealand’s new economic focus in the Pacific

New Zealand Foreign Affairs Minister Hon Murray McCully says his new government’s Pacific policies will have a “hard-headed” but “non-ideological” focus on sustainable economic development, writes political journalist Duncan Wilson.

McCully has consistently said that a National government would devote much more energy to the region and significantly increase its aid.

He has also said that the Government intended to gradually shift the focus of New Zealand’s aid policies from poverty alleviation to economic development.

“The problem with poverty alleviation as a foreign aid objective is that it can be an excuse for anything, and can be difficult to monitor and assess,” McCully said.

“You could drop \$100 bills from a helicopter and that would qualify as poverty alleviation,

but does that mean it is an effective initiative in the long-term that addresses Islands’ challenges?”

The National Government’s aid policies would emphasise assistance with infrastructure, micro finance and “economic architecture”.

“It will be a gradual shift [in aid policy] because anything that involves shifting existing arrangements needs to be handled with some care ... but I am determined to improve outcomes for the Pacific region.”

In contrast to his predecessors in Labour-led governments, the Foreign Minister has retained responsibility for New Zealand’s International Aid and Development Agency (NZAID) and the official development assistance budget, rather than delegate the role to an associate.

Meanwhile, senior politicians in the governments of Samoa and Tonga have welcomed McCully’s decision to subsidise Air New Zealand’s loss-

making flights from those islands to the United States to ensure a vital Pacific commercial route remains open.

“I made the decision on the very simple premise that if we’re in the business of focusing on sustainable economic development then we can’t afford to lose one of the arteries for trade and tourism in Samoa,” McCully said. “I wasn’t prepared to have that route terminated.”

He also emphasised that the Pacific-wide free trade negotiations under the Pacific Agreement on Closer Economic Relations (PACER) would proceed in a “non-ideological” manner that addressed Pacific Island economies’ concerns.

“We want to proceed with care and with due preparation, in a non-ideological manner. In other words we don’t want to fit them up with a prescription that makes sense for a particularly developed country.”

What does the future hold for PI economies?

By Mike Flanagan, New Zealand Pacific Business Council (NZPBC) chief statistical researcher

While we are all wondering what is likely to happen with the world economy (and that of New Zealand), have we really given serious thought about Pacific Island countries (PICs) in the next year or so?

Economists can produce all sorts of impressive mathematical models and projections, but they don't always get it right – and most did not publicly predict the recent financial collapse, which began in Wall Street. The predictions of an ordinary business person may not be any more reliable – but here is an attempt to crystal-ball gaze the future.

We have to remember that unlike much of the world, PICs (apart from Papua New Guinea (PNG)) generally have small populations and small economies. Gross Domestic Product (GDP) per capita is relatively low by world standards, apart from the six United States and French Territories (and to a lesser degree Cook Islands and Niue, with their special relationship with New Zealand), and Fiji and Samoa, which perform a little better in economic terms.

PICs are largely mineral resource-poor (PNG and New Caledonia being the obvious exceptions).

That essentially leaves just forestry, agriculture and fishing. While agriculture and fishing are traditional activities, they are generally on a small scale, and there is a lack of capital and technology to compete commercially on the world market (remember New Zealand dairy farms had to increase in size to remain viable).

This small size is fine for the domestic market, but presents real challenges when faced with international traders such as Dole, Chaquita and Sumitomo. This was highlighted by the demise of the huge Islands–New Zealand banana market that has been replaced by the Philippines and Ecuador. While New Zealand's fresh fruit imports were NZ\$312 million in 2008, only NZ\$2.05 million of that came from the PICs – less than 1 percent.

PICs have little in the way of manufacturing to supply export markets, apart from Fiji with biscuits, sugar, mineral water, paint and clothing, and Samoa with automotive windings, plus some coconut and taro products, and the local beer. Island manufacturing largely caters for local needs.

Tourism is a widely varied picture, with Fiji, New Caledonia and French Polynesia being the clear leaders, along with the US Territories of Guam and the Northern Marianas. Samoa, Tonga, Vanuatu and Cook Islands are also well visited, but the remainder

of Islands have either transport or security problems that discourage foreign tourists.

This overall scenario may not look too promising for the next few years. However, with total exports in 2008 of only NZ\$110 million plus NZ\$109 million of mineral fuel from PNG, PICs do not depend heavily on export trade, so the economic storm is likely to pass over the small, self-sufficient economies.

The PIC economies most likely to feel the global downturn are the large mining and oil operations in PNG, and the nickel mines in New Caledonia. Fiji is somewhat more dependent on Australia and New Zealand for its exports (which to New Zealand are NZ\$71 million annually), but hopefully the impact on the New Zealand economy will be less than larger countries, such as the United States.

However, there are two downsides that could impact on the PICs. If New Zealand unemployment reaches as high as 12 percent, then the important remittance money may dry up. Any sign of another economic downturn could also see heavy migration to New Zealand and Australia from Cook Islands and Niue particularly.

The downturn will probably also impact on tourism – but it may to some degree be offset by New Zealanders and Australians opting for the nearby South Pacific, rather than Europe or America.

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The Pacific Wave

Weathering the Economic Storm

Conference 2009

3-4 June 2009

Auckland SkyCity Convention Centre



Introduction and invitation

The Pacific Cooperation Foundation (PCF) invites you to the Brother International “Pacific Wave Conference: Weathering the Economic Storm”, taking place in Auckland, New Zealand, 3 & 4 June 2009.

The global economic downturn has negatively impacted on developing economies around the world. For the smaller developing nations in the Pacific, this crisis will be exponentially challenging.

PCF, in proud association with Brother International, presents this major conference addressing the impacts of the current global economic recession on Pacific economies and how these challenges might be faced in the next 12 to 24 months.

Conference themes

The Brother International Pacific Wave Conference will focus on the recession’s impacts on the ground and look at immediate and long term solutions.

The key theme areas will be ‘Challenges to Economic Growth’ and ‘Opportunities’.

The **Challenges to Economic Growth** for Pacific Island Countries (PICs) in the immediate future include: reduced commodity prices and lower export earnings; lower remittance flows; reduced government revenues; widening trade deficits; less tourism and foreign investment; exchange rate fluctuations; reduced foreign exchange reserves; and a tighter lending environment.

The **Opportunities** theme will consider practical and policy options that organisations and governments might consider in riding out the downturn. Possible discussion areas include: policy changes; specific initiatives relating to stimulus; issues of liberalisation; public/private sector partnerships; where development assistance will play a role in economic growth; temporary labour mobility and remittance initiatives amongst others.

Key areas of focus will be tourism, trade and employment and how economies, businesses and communities will respond.

Conference speakers and facilitators will be experts in their fields from across the Pacific. For an updated list of speakers and facilitators please check www.pcf.org.nz.

Speakers will focus on the impacts of the recession and discuss likely initiatives to address these in the short and long term. These will be tested, firstly in the question and answer sessions following the key note speeches and secondly in workshops the following day facilitated by leaders in their fields.

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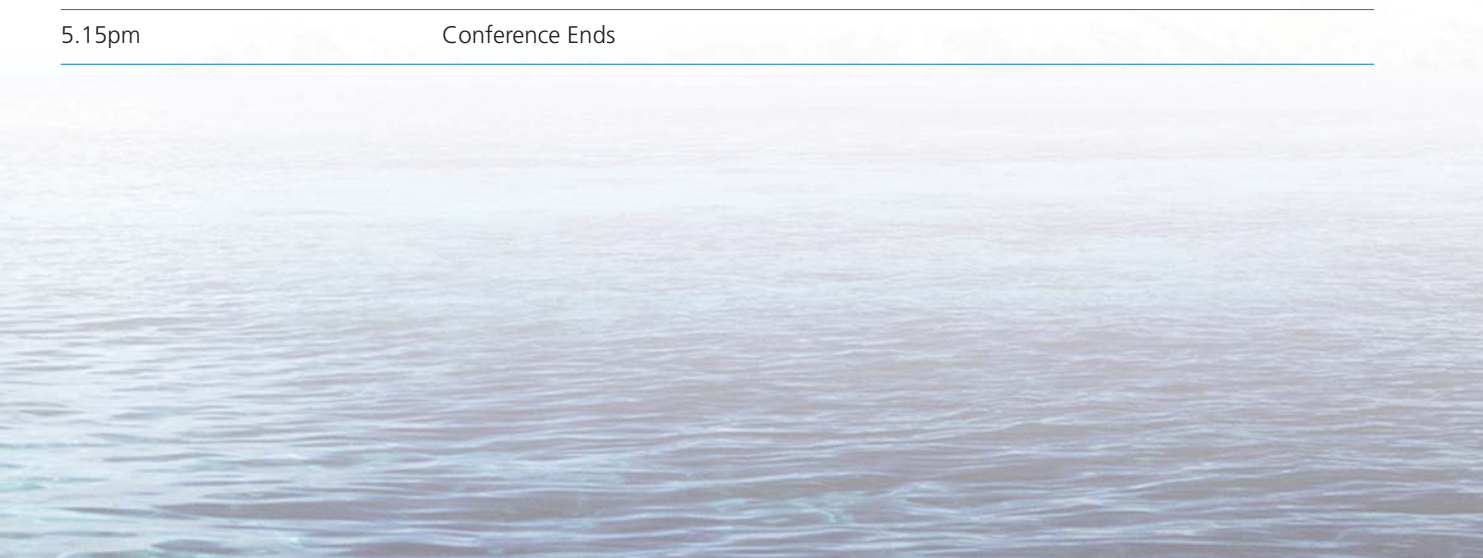
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Programme

The conference programme information can be found at www.pcf.org.nz.

Wednesday 3 June	
7.00am - 8.30am	Registration
8.30am - 8.50am	Welcome
8.50am - 9.10am	Opening Address
9.10am - 10.40am	Challenges to Economic Growth
10.40am - 11.00am	Morning Tea
11.00am - 12.30pm	Discussion Time (Q&A) - Challenges to Economic Growth
12.30pm - 1.15pm	Lunch
1.15pm - 2.45pm	Opportunities
2.45pm - 3.05pm	Afternoon tea
3.05pm - 4.35pm	Discussion Time (Q&A) - Opportunities
4.35pm - 5.20pm	Rapporteur - outcomes
5.20pm - 5.30pm	Closing Remarks
6.00pm - 8.00pm	Cocktail Reception

Thursday 4 June	
8.00am - 8.45am	Registration
8.45am - 9.00am	Welcome
9.00am - 10.30am	Challenges to Economic Growth - breakout sessions with facilitators
10.30am - 12.00pm	Facilitators report back and general discussion with workshop participants
12.00pm - 12.45pm	Lunch
12.45pm - 2.15pm	Opportunities - breakout sessions with facilitators
2.15pm - 3.45pm	Facilitators report back and general discussion with workshop participants
3.45pm - 4.45pm	Rapporteur reports back
4.45pm - 5.15pm	Conference Conclusions
5.15pm	Conference Ends



Registration Information

Registration Fees

(all fees are in New Zealand dollars and include GST)

Type	Earlybird (payment received by 30 April 2009)	Standard (payment received after 30 April 2009)
Full	\$300.00	\$350.00
NGOs and Students	\$200.00	\$250.00

How to Register

Via the internet: www.pcf.org.nz

Payment by credit card (secure transmission facilities provided)

Payment can be made by cheque drawn on a New Zealand bank account, a bank draft (overseas delegates), Diners, Visa or Mastercard. Confirmation of your registration and a tax invoice will be sent upon receipt of your forms and fees.

Accommodation

Bookings for accommodation can be made via the website at the time of registration. Bookings should be made no later than 1 May 2009. After that date no guarantee can be made that rooms will be available. In order to secure your reservation, we require payment of one night's room rate by cheque, bank draft or alternatively you may supply your credit card details.

Conference Managers

If you have any queries about the conference arrangements please contact:

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Warnings of recession tsunami

Though the full-blown impact of the global recession is yet to affect the vulnerable shores of the Pacific Islands, the governments and central banks of every island nation are bracing for it, writes Dev Nadkarni, editor of www.pacificbusinessonline.com

From larger commodity export-based economies like Papua New Guinea (PNG) and Solomon Islands through to those heavily dependent on tourism and remittances such as Fiji, Samoa and other Polynesian Island states, and also countries like Kiribati, Nauru and Tuvalu whose economies primarily depend on their trust fund investments, all have warned their people of the coming recession tsunami.

PNG, the region's fastest growing economy – with an average 5 percent annual growth over the past seven years propelled by growing demand for its mineral resources, particularly from China – is bound to feel the impact of the slowdown throughout this year.

Recession in the United States and Europe has already slowed activity in the world's manufacturing powerhouse, China. This in turn has driven down the demand for mineral and energy resources originating from PNG and Australia, along with other natural resources such as round logs from Solomon Islands.

New investments in PNG's mineral and energy sectors, that showed much promise before the downturn began, will undoubtedly feel the heat as credit – particularly credit for speculative green field ventures – becomes increasingly difficult to obtain.

The great prospects afforded by the vastly expanded exclusive economic zones – after the redrawing of the continental shelves of the Islands in accordance with their submissions under the United Nations Convention on the Law of the Sea – will have to wait until the global economy recovers and credit for new investments becomes available on easier terms.

The downturn in western markets has also affected commodity exports like coffee, copra and palm oil (which were in any case reeling from low international prices for some time) as well as marine products from the Melanesian Island states.

Denton Rarawa, Governor of the Central Bank of Solomon Islands, cited declining commodity exports as the main reason for expecting the country's foreign exchange reserves to dip over the coming year. He has warned of a contraction in the country's economy and problems in servicing external debt.

Reserve Bank of Fiji Governor Savenaca Narube has also warned that his country's widening trade deficit will exert increasing pressure on foreign reserves. Declining overseas demand will also have an adverse effect on Fiji's manufacturing industry, particularly in the clothing and footwear sectors, which employ significant numbers of workers. Political problems and the recent floods in Fiji's western parts have only sought to exacerbate the economic situation.

As the effect of the downturn unfolds in the Island states' main tourism markets of Australia and New Zealand, inbound tourists are expected to be affected. Tourism organisations have predicted lower arrivals throughout this year compared with previous years.

Tourism is the single biggest sector for direct and indirect employment across Fiji and the Polynesian Islands, and also drives a host of ancillary business activity including local transport, communication and other services. The domino effect of the downturn in tourist numbers will run across this ancillary chain.

Remittances continue to be the biggest revenue earners for many Island economies including Fiji, Samoa, Tonga, Cook Islands, Niue and Tuvalu. Job losses and pay cuts in New Zealand, Australia and elsewhere are expected to affect the volume of remittances.

But this may not turn out to be as big a threat as it seems because of two reasons: most western governments have announced plans to address the problem of large-scale unemployment and any acute



Dev Nadkarni

loss of income is likely to be temporary. The dip in remittances, therefore, would also be temporary. The other important reason is that the costs of remittances in terms of fees and commissions charged by money transfer firms and banks have dropped considerably over the past year (in some cases nearly 70 percent). These savings will be added to the remittance pools and soften any blow from a serious dip in overall remittances.

The micro-states of Nauru and Tuvalu, and their slightly larger Micronesian neighbour Kiribati, have been feeling the effects of the global downturn for over a year now. Their trust funds, managed mainly by Australian fund managers, have been considerably eroded because of declining returns from investments in a variety of financial instruments.

Tuvalu Prime Minister Apisai Ielemia, on his way back from the 2008 Pacific Forum meeting in Niue, said Tuvalu was expecting no interest payments on its investments this year and would have to look elsewhere to meet its budgetary obligations. In October last year, Kiribati President Anote Tong also spoke of reduced receipts from its one time much-envied fund in Australia.

Meanwhile aid, usually not tied to economic factors, is likely to continue unaffected except in cases where western governments are actively considering restructuring their programmes – as is currently being proposed by the New Zealand Government.

So far, the Island governments have been slow to act on a firm response to the crisis. Some have announced a few measures. Solomon Islands Prime Minister Derek Sikua has spoken of increased infrastructure and public works spending, echoing the strategy of most western leaders including New Zealand Prime Minister John Key. The Samoan Government is toying with the idea of developing a safety net around the debt of people who may lose jobs, particularly in the country's small but significant manufacturing sector.

Pacific people have innate survival instincts. Some experts have advised them to fall back on these strengths and adopt a back to basics approach in terms of increasing their reliance on their own natural food and energy resources while also developing alternative, renewable energy sources while riding out the downturn.

New website: SendMoneyPacific

Pacific peoples who send money home to the Islands now have access to a website to check which money transfer company offers the best rates and fees for remittances – www.sendmoneypacific.org

The website was created through the joint New Zealand and Australian Governments' initiative 'Reducing the Cost of Remittances to the Pacific'. It is managed by Developing Markets Associates.

The site provides information on the many choices migrants living in New Zealand and Australia have when sending money back to their families and friends in the Pacific. It also features community information relevant to each of the Pacific Island groups in New Zealand and Australia.

Samoa takes a few hits from recession

Since the beginning of the global financial crisis, economists and financial experts the world over were convinced the Pacific would be spared from the direct impact of the downturn of events internationally, writes Samoan journalist Cherelle Jackson.

The World Bank said Samoa's economy would survive through a recession because it is fairly detached from major international markets. The Asian Development Bank said Pacific Islands would remain fairly unscathed from the whole crisis as they are codependent. The International Monetary Fund also said the isolation of the Pacific might enable Islanders to ride through the tough financial times.

The experts were right, apart from fuel prices; everything else remained unchanged for Samoa – at least for the first 12 months.

Now, the Samoan Ministry of Finance, Ministry of Commerce and the Central Bank of Samoa (CBS) have issued grim predictions of Samoa's economic situation as a result of recession worldwide.

Remittances, the much valued and highly anticipated part of the Samoan income, will take a big hit in the coming months according to CBS.

The bank's manager of statistics and research, Iosefo Bourne, says that as more and more Samoans working in other countries are made redundant as a result of the recession, there is a fear this will lead to a drop in remittances to local families.

"Private remittances grew 5 percent in the first six months of 2008/2009. However, given the worldwide recession and growing unemployment in advanced economies, the inflow of private remittances is expected to slow down in the second half of the year," CBS said in its economic outlook for the first quarter of 2009.

Remittances are not just the lifeblood of a big part of the local community, but also account for 24 percent of the Gross Domestic Product (GDP) – about \$128.2 million tala a year.

"Obviously, as Samoans overseas lose their jobs they will not be able to afford to send home as much money," Bourne said.

Papali'i Grant Percival, president of the Samoa Association of Manufacturers and Exporters (SAME), says the private business sector is projected to suffer more as a result of bank interest rates going up. "We need a major injection into the private sector to ensure that we can ride this one through," Papali'i said.



Central Bank of Samoa building in Apia, Samoa. Photo: Cherelle Jackson.

According to CBS, the growth of private sector credit in the first half of 2008/09 has not been as strong as anticipated.

In fact, it remained well below the growth rates for the previous two financial years.

The Samoan Government is considering a stimulus package to help the private sector maintain a healthy level of economic activity locally.

Recently, CBS announced a reduction of lending rates to commercial bank from 7.8 percent to 5 percent.

"But it has to start from the people, it is really up to the individuals to ensure that they can take part and contribute in their own way to make money," says Prime Minister Tuilaepa Sailele Lufesolai Malielegaoi.

According to Tuilaepa, going back to the basics of subsistence living will ensure that locals are spared from the dilemmas of the world financial crisis.

But he failed to note that the bulk of Apia urban residents, now numbered at close to 70,000 people, rely entirely on a vibrant economy to survive.

Although Samoa is fairly isolated in geographical location, the direct linkages between New Zealand and Australia will cause the export and import market great strain, says the Samoan Chamber of Commerce.

As the Australian automobile industry faces an uncertain future, a significant portion of Samoa's workforce is under threat.

Already the Samoa National Provident Fund noted a 0.03 percent decline in employment in 2008.

Yazaki EDS Samoa Ltd, a wire harness factory that supplies Australian car manufacturers, employs more than 2000 local workers. In the past five months the company laid off workers because of a slowdown in demand for harnesses.

However there are fears that the factory will close down all together. Misa Telefoni Retzlaff, Minister of Commerce Industry and Labour says if this happens it will have a tremendous impact on hundreds of families in Samoa.

"This has to be prevented and we have already convinced Yazaki not to lay off more workers and we are looking at ways to make this work," Misa said.

Now the company has cut back working hours instead of laying off workers, and Misa has contacted Australian politicians to assure some support for the automobile industry. It is expected that the Government will step in to assist with costs of maintaining the large workforce.

In addition to workforce threats, CBS anticipates a decrease in tourism arrivals for this year.

"Arrival numbers are expected to decline in the second half of 2008/09 as the global meltdown starts to impact adversely on travel to Samoa," CBS stated.

The Government, despite initial denials that the financial crisis would hit Samoa's shores, has now gone into full damage-control mode to ensure the crisis does not have a long-lasting negative impact on the lives of Samoans.

Tuilaepa confirmed that the Government is considering a stimulus package for the private sector, after extensive consultations this month.

Misa says he hopes to restore tourism numbers by investing in an international marketing campaign.

So as those with money in Samoa struggle to keep their bank accounts at a somewhat sane level, those in the rural areas feel little impact of the financial crisis as the plantations, fresh water springs and their thatched fales remain fairly unaffected from the whole ordeal.

New PM's first foray into Pacific politics

New Zealand Prime Minister John Key was thrown in the deep-end during his first foray into Pacific politics – but managed to swim in the foreign policy waters, writes *New Zealand Press Association's* Maggie Tait.

Only a few months into the top job, Key flew to Papua New Guinea to the meeting of Pacific Islands Forum leaders held in February to discuss Fiji.

Rather than a diplomatic talkfest, this meeting had to decide how to censure Fiji's interim government for failing to take any meaningful steps towards democracy. The unprecedented measure of suspending Fiji's membership was on the table, and Australian Prime Minister Kevin Rudd was gunning for it. Such a step is out of sync with Pacific style, which is a more 'help your neighbour to improve' rather than a punish approach.

However, as Key repeatedly said in the lead-up to the meeting, the Forum's reputation was on the line. It needed to act decisively or its credibility would be in question and other bodies, such as the Commonwealth or United Nations, would take leadership.

Key was optimistic the Forum could find a solution. "I was quietly confident the Forum would deal with the issues in a considered manner, and that's what happened," he told *Pacific Connection*.

The atmosphere at the meeting was "remarkably upbeat and relaxed given the seriousness of the situation we were dealing with". He

characterised the debate as thoughtful, considered and cooperative, and the reaction of other leaders to him was very positive. Key was New Zealand's representative in a room of Pacific leaders, but he was happy to represent the country on foreign policy. "I was totally comfortable with the responsibility of representing New Zealand's interests."

At the end of a long day, the leaders in Port Moresby decided to give Fiji until May to set an election date that is before the end of this year. Consequences for not doing so include a partial suspension from the Forum and a block on access to regional benefits.

The meeting managed to overcome one hurdle – Kiribati and Tuvalu had reportedly threatened to pull out of the Forum if Fiji was punished, for fear of how retaliatory action by Fiji might hurt them. However, after other Forum nations pledged to assist, they agreed to the new measures.

"You can't blame some of those smaller states [for] feeling more vulnerable when their economies are interrelated and interconnected," Key said.

Fiji's coup leader and self-imposed prime minister Voreqe (Frank) Bainimarama was unimpressed with the outcome. He blamed New Zealand and Australia for the decision made and likened it to an act of war – a position Key said was "totally ridiculous".

Bainimarama remains defiant. He has said Fiji will not hold elections until he has changed the electoral system, which he says aggravates divisions between indigenous Fijians and non-indigenous minorities.

"If it takes us five years or 10 years to hold

elections, then so be it," he was quoted as saying on the *Fijilive* website.

Fiji's interim attorney-general Aiyaz Sayed-Khaiyum attended the meeting. He also lashed out at New Zealand and Australia, accusing them of treating his government unfairly and personalising issues.

While answering questions, Sayed-Khaiyum remarked that he did not know he was on trial – and Key said "you should be".

"Here is the Prime Minister of New Zealand making these sorts of comments at a Forum leaders' meeting. It's actually quite unbelievable when you think about it," Aiyaz Sayed-Khaiyum said.

Key, asked if the exchange had given Fiji ammunition, declined to comment. He said he was "very confident" Forum members would stick to their guns should Fiji fail to meet the 1 May deadline.

On his way back from the Port Moresby meeting, Key visited Solomon Islands and the Regional Assistance Mission (RAMSI) there. He said it was good to see another effective outcome of the Forum working together.

"The Solomons was a country where there was a natural warmth from the people and while there are substantial challenges, there was a sense of progress being made through the efforts of both RAMSI and locals."

Key said he would attend the next Forum meeting in Cairns, in August. "Progress will depend on Fiji's response. However, it is important to realise that there are other issues for the Pacific besides Fiji and I hope time is spent on these as well."



Leaders at the special Pacific Forum meeting in Port Moresby, Papua New Guinea, February 2009. Photo: Maggie Tait, NZPA.

Saving Pacific tuna from plunder



About US\$3 billion worth of the tuna catch industry comes from the Western and Central Pacific region, which amounts to more than half of the world's catch, writes Radio New Zealand journalist Philippa Tolley.

The Western and Central part of the Pacific is a hugely profitable resource, one that is increasingly attracting fishing nations from around the globe as stocks collapse elsewhere. But the dangers of over-fishing lurk in the Central and Western Pacific just as they do in other parts of the world.

Environmental campaigners and scientists have been urging action to preserve the viability of the large tuna of this region, bigeye and yellowfin. The responsibility for preventing a collapse of the fish stocks is shared between the Pacific nations in the area and the relatively recently created Western and Central Pacific Tuna Fisheries Commission, which looks after all highly migratory fish stocks – primarily tuna, but also other species such as swordfish, sailfish and sharks.

The commission is based in Pohnpei, in the Federated States of Micronesia, and operates under United Nations provisions. It tried for several years to get agreements to cut the catch of these species, but attempts failed as fishing nations quibbled over the scientific data and debated what was really behind possible drops in numbers of fish.

As the commission's annual meeting rolled around in December, it was saying its ability to manage tuna stocks was under threat unless some level of agreement could be reached at the gathering, which was held in the South Korean port of Busan.

Other tuna commissions around the world are largely seen as failing in their duty, and the Western and Central commission was likely to be seen as a 'basket case' if a deal was not reached, according to the commission's chief executive, Andrew Wright. It was with this challenge that more than 500 delegates gathered, representing environmental groups, Pacific nations and fishing countries. The area is fished by some Asian nations, including South Korea, and by those from further afield, such as Spain. Industry representatives made up a significant part of many delegations.

The meeting heard the scientific verdict: the continuing lack of action meant the situation had deteriorated and a 30 percent reduction in fishing of bigeye was needed, along with a similar reduction for yellowfin. But which sector should have to wear a drop in income? Should the purse seine fishers, those who used big, bag-like nets to scoop up their catch, be the ones to cut back? Should the vessels that feed out hundreds of metres of line set with thousands of hooks be the ones to reduce their effort? Should all fishing nations agree to shut parts of the region in order to give stocks a chance to recover, and should local nations have to recognise such closures as well? How can the commission make sure any agreement is adhered to – and not scuppered by pirate fishermen?

It is these difficult negotiations that have seen other tuna commissions fail as pale, less than adequate agreements are reached and then become marked more by the way they are flouted than by compliance.

One of the main differences for this region is the number of Pacific nations involved, and their huge exclusive economic zones (EEZs). In the past, small nations have found it difficult to negotiate robustly with the larger fishing nations. But the Forum Fisheries Agency (FFA) has provided an opportunity for these Island countries to work together and negotiate as a bloc. In addition to the strength of the FFA, the nations closest to the richest fishing grounds have formed their own agreement on how to manage the stocks. This, the

Nauru Agreement, involves Papua New Guinea, Solomon Islands, Kiribati, Nauru, Marshall Islands, Palau and Federated States of Micronesia. The grouping had already come up with its own plan to preserve fish numbers in order to safeguard a resource that for some nations is the only industry with opportunities for development.

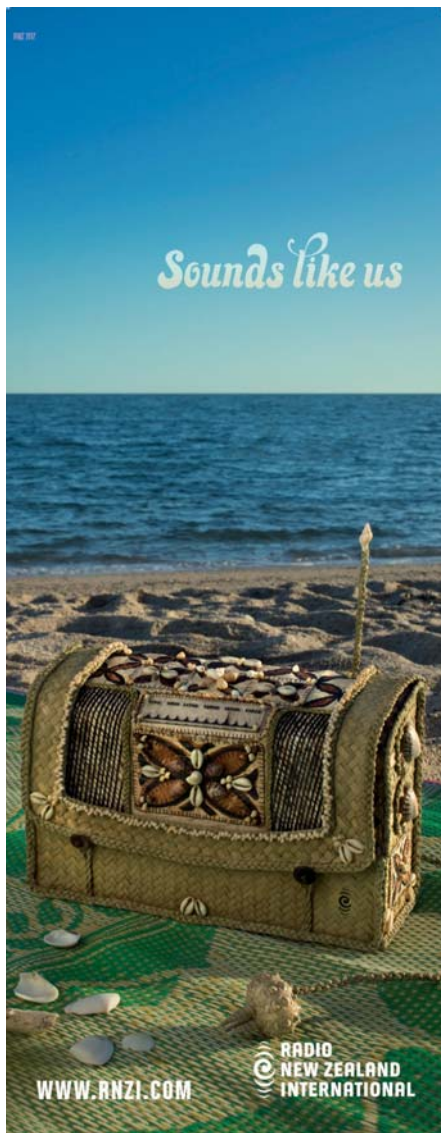
The suggestions for how to achieve the cutback in fishing effort varied widely, and over the week-long meeting, confidence over whether a resolution could be reached ebbed and flowed. Late night sessions saw provisions drafted and re-drafted. The FFA continued to promote the interests of Pacific nations and emphasised the conservation measures that would be introduced through the Nauru Agreement, irrespective of what members of the commission agreed to. The chair of the meeting urged Korea, as host, to persuade its Asian colleagues to agree to change, and negotiations continued with the Western representatives from the European Union and United States.

In the final hours of the meeting, a deal was reached. Not the 30 percent the scientists said, but for this year a 10 percent reduction in long-line fishing. Short-term bans will be introduced on fish-attracting devices. Fishing vessels will be banned from throwing juvenile fish back into the sea, a measure that means their holds will fill up faster with all the fish caught, not just big specimens.

Perhaps the biggest breakthrough was an agreement to next year close two so-called high seas pockets, the areas of international water left between EEZs of individual countries, and to consider closing other pockets. This move to give away rights to fish in international waters was seen as a real effort on behalf of the fishing nations to preserve and maintain the fishery for years to come. However, the agreement fell short of what the environmental groups had been calling for, and whatever the deal, its effectiveness relies solely on compliance.

The meeting also agreed to increase the level of observers on board fishing boats, aiming for 100 percent coverage in future. But for now, it is hoped the fishing nations will stick to the arrangements that have been agreed. As the year unfolds, the scientists will continue their investigations to see how bigeye and yellowfin stocks are recovering or whether they are continuing to decline. Those experts will be checking to see if enough has been done, soon enough, to ensure the fishery remains a rich global resource for years to come.

Philippa Tolley covered the Western and Central Pacific Fisheries Commission meeting in South Korea for Radio New Zealand International and Radio New Zealand. She was the only Western journalist covering the week-long conference.



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Ramped up focus likely from US 'Pacific President'

The United States top Pacific head expects a ramping up of diplomatic and developmental focus, writes political journalist Duncan Wilson.

The United States acting assistant secretary for the Bureau of East Asian and Pacific Affairs, Glyn Davies, says President Barack Obama's emphasis on diplomacy and development presents a new approach to the Pacific region.

"I think we can see that what President Obama has been saying, from the transition through to the inaugural address and now as President, a number of signs of renewed emphasis on the importance of diplomacy and development," Davies said.

President Obama's new Secretary of State Hillary Clinton "has already talked about the importance of the three legged stool of our foreign policy – development, diplomacy and defence," he said.

"Two of those, development and diplomacy, are very much under her authority in the State Department and she means to do a great deal more in the development area. We're reasonably confident that in the Pacific we're going to be able to try some new things, with some new departures."

Davies also said that the department was working hard to ensure that President Obama's policy direction on climate change and clean energy was "translated into further activities, perhaps even assistance within the Pacific Islands".

But less than two months into the new administration was too soon to talk of 'headline' policies in these areas, he said.

As principal deputy assistant secretary for East Asian and Pacific Affairs, Davies has directed the superpower's relations with the Pacific Islands and New Zealand and Australia, as well as East Asia, for the past three years.

His testimony at a 2007 US House subcommittee spurred his government's decision to make 2007 the "Year of the Pacific," and he has emphasised his country's long-term commitment to a "step change in the relationship".

Davies pointed to several examples of an enhanced US-Pacific relationship in 2008. He said that former Secretary of State Condoleezza Rice's visit to Samoa in 2008 for 16 meetings strengthened the relationship between the two regions. The United States also signed several ship rider agreements with Pacific countries that allowed Pacific Islands' law enforcement and maritime officials to ride on US Navy or coastguard vessels and help safeguard the region's valuable exclusive economic zones.

At the political level, Davies said the US tried to be as supportive as possible of the Pacific Islands Forum engagement with Fiji to ensure that country returned to a democratic path.

FSM 'upbeat'

In the Federated States of Micronesia (FSM), a sovereign state in free association with the US, the local reaction to the election of the new US President has been upbeat, says Yap Department of Youth and Civic Affairs director Larry Raigetel (right).



"Never before in the FSM have this many people been so keenly interested in not just the outcome of the election itself, but the actual events leading up to the inauguration of the new President," he says. Along with media coverage creating interest, people seemed to be aware of President Obama's background and close links to the region – "in other words the coco wireless was at its best".

Raigetel says that for many FSM citizens, the President's connection to Hawaii (where he partly grew up) makes him 'the US Pacific President'. However, some older people may associate more with previous US Presidents who may have fought wars in the region.

He says the election of the first African American President is also very significant in the FSM, given its historical significance to people who value democracy and embrace the concept of freedom. Being a Democrat, President Obama is perceived as more likely to be concerned about, and receptive to, issues of small island nation states.

"The mere fact that the US President would not need to read up on geography to know the Pacific region in greater details, has to have at the very least some impact on US Pacific policies. Commonly shared Island issues – such as those on the environment and climate change – are likely to have a little more attention from Washington than they used to have," he says.

"I truly hope the new US President will continue with the momentum he has set up. There is a lot of expectation for him to fix the US economy and resolve global problems, on top of his country's own. It has to be our shared concern that with all these expectations, our meagre Island agendas might not be reached as far as we had hoped for."

'Great hope'

Washington DC has a small Pacific Island community, but the feeling seems to be one of great hope that President Obama will lead his country to a better future, says Vivienne Adams (right), a Fijian-New Zealander living in Washington.



Speaking personally, Adams says, "I believe he can be seen as the first US Pacific President – and the first US Kenyan President – and the first US Indonesian President – the first US President born to a Muslim father – and the list goes on! President Obama is not just American, he is a truly global figure and we can all claim a part of him. He has been a unifying force after President Bush's divisive two terms. Many people, both within the US and globally, feel they can relate to him and that he will represent their particular hopes and fears. The problem there of course, is that expectations are so high and disappointment is bound to follow eventually as he cannot be the front man for every cause and every nation.

"I think that as Pacific Islanders we are comforted by the fact that President Obama has lived in Hawaii and still has strong ties there, and because of that, the perception is that he has a better insight and is more connected to our struggles as a people. However, with the world in such a global economic crisis, I think it doubtful we are high on his 'to do' list."

Adams says black Americans particularly, walked a little taller after the election. "President Obama did not come from privileged background but he defied the demographics of a working class black man navigating his way through life in America. Obama, to many in the black community, represents possibility – the possibility to realise one's potential and aspirations regardless of your race."

Adams, a corporate flight attendant who lives in Washington DC with her American military husband, was in Siberia for the presidential inauguration. In a hotel lobby with her crew, a local helped get the television switched on. In his broken English, he summed up the moment "this [is] history".

PNG artist chosen for residency

Papua New Guinea artist Jeffry Feeger is the successful recipient of the inaugural Tautai Contemporary Pacific Arts Trust and Pacific Cooperation Foundation Artist Residency 2009.

Organised by the Tautai Contemporary Pacific Arts Trust and sponsored by the Pacific Cooperation Foundation, the residency provides the artist with return airfares, accommodation and a stipend for the six-week duration.

The Tautai Contemporary Pacific Arts Trust (Tautai) was established in the 1980s to mentor and support contemporary Pacific art and artists. As a charitable trust it continues to pursue its goals of promoting and providing profile to Pacific heritage visual artists and their work. It organises events and exhibitions, and provides a wide range of support to the Pacific visual-artist community based in New Zealand. The purpose of offering this new residency is to give a Pacific Island artist from outside New Zealand the opportunity to meet and interact with the local art community.

The residency offers an artist the 'gift of time' to visit institutions such as the Auckland Museum, as well as galleries and libraries, and for research. There is also the opportunity to participate in several Pacific-related events being held in Auckland during March, and to network and make contacts that will assist the artist to continue work at home.

Feeger is a 26-year-old artist whose passion and commitment to art were evident in his application. Deborah White, project facilitator, says the selection panel was unanimous in its decision to offer him the residency.

"We're aware that Jeffry's had minimal formal art tuition but has been able to support himself through his artistic talents for the past seven years. There are limited opportunities for artists in PNG to show and sell their work, and Jeffry has demonstrated great determination in his pursuit of his personal goal to become a world famous artist. He has organised exhibitions for himself and other artists in a range of venues and has made work on a number of topics, including HIV/AIDS, violence against women and children, corruption and injustice."



Jeffry Feeger with his painting 'A new Bougainville'

Feeger says, "I feel very strongly about the plight of my people and the struggle and suffering of the marginalised in our communities. As an artist I feel it [is] my duty to speak out and show leadership at such a desperate time. I will continue to create and bring about such awareness for such issues in the future".

Feeger took up the six week residency in Auckland this month (March 2009).

A book with a vision

Living and Leaving a Legacy of Hope: Stories by New Generation Pacific Leaders has been making waves since its recent Wellington launch.

The 27 stories of personal journeys were written by members of the Pacific Students' Leadership Cluster at Victoria University of Wellington. The cluster is part of a wider strategy of the Leadership Pacific movement, which has the vision of growing 1000 'new generation' Pacific leaders by 2015.

The cluster was initiated in 2006 with six members. Today, under the mentorship of Victoria's School of Education Dr Kabini Sanga and Cherie Chu, it has 35 members and is still growing. The cluster is also supporting the establishment of other leadership clusters in New Zealand, at the University of the South Pacific, Suva, and in other Pacific countries.

The book is one of the strategies used by the cluster to support the leadership development of new generation leaders. Other strategies include mentoring, workshops, internships, networking and contextual learning.

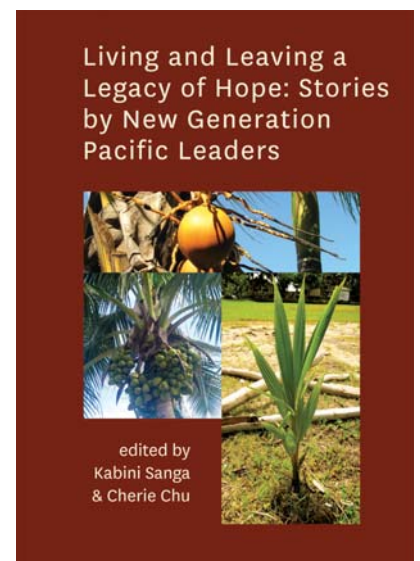
This collection of stories is not about politicians, celebrities or traditional leaders. Rather, it is by and about ordinary students who share their own leadership stories as children, parents, employees, mentees and mentors, and show how it is possible to recognise, seek and initiate opportunities to demonstrate leadership in everyday life.

Responding to challenges of the time, while also acknowledging and drawing on the strengths and potential of their diverse and complex heritages, the authors represent a new generation of thinking. The stories are a declaration of their willingness to assume responsibility for improving leadership in their Pacific contexts.

This new thinking sees leadership as everybody's collective responsibility. It recognises the potential for leadership in ordinary people who choose to demonstrate mutually enabling influence in their daily lives. By nurturing and mentoring others, these new generation leaders are making small but deliberate contributions towards building holistic leadership capacity in the Pacific region.

The term 'new generation Pacific leaders' does not refer solely to the young but includes those who have chosen to work and live deeply in the Pacific context. As personal accounts, the stories are powerful. They entertain, inform and make you think.

One of the authors, Maciu, from Fiji, says, "As young and ordinary Pacific Islanders, we are drawing upon our own inspirational stories to develop ourselves as individuals of positive influence in our spheres of life". Anna, another author, says: "For me, realising the vision of growing 1000 new generation leaders by 2015 is like throwing a stone into a lake and watching the ripples moving further and further away. I have realised this vision and will contribute




to it through my different roles and responsibilities in my Island nation of Papua New Guinea".

Stories have a special role in Pacific communities. They capture the spirit of relationships and keep memories alive; they are a natural form of communication. While most of the authors are first-time writers in this genre, their stories have been only lightly edited. In this 'raw' form they are at their most powerful. While it was intended primarily for Pacific audiences, early responses to this book indicate it is able to inform, inspire and move a much wider readership.

Living and Leaving a Legacy of Hope: Stories by New Generation Pacific Leaders is available from Pine Southon, pine.southon@vuw.ac.nz or phone +64 4 463 5633.

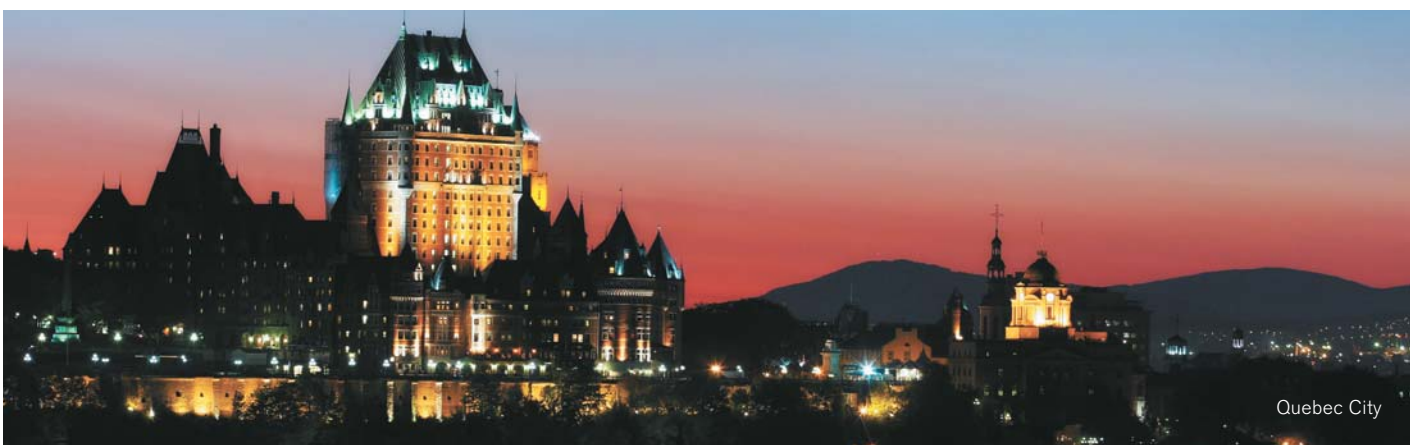


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